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GENERAL INFORMATION

MEMBERS OF THE WITZENBERG COUNCIL

Clr D Adams	Clr SM Joubert	Clr K Robyn
Clr J Booysen	Clr KA Klaasen	Clr RE September
Clr JC Botha	Clr JNED Klazen	Clr MN Sifile
Clr MC du Toit	Clr S Louw	Clr PX Swangaza
Clr MM Geldenhuys	Clr ZG Mdala	Clr JFR Torr
Clr C Jacobs	Clr A Muller	Clr JJ Visagie
Clr E Jooste	Clr JF Nel	Clr S Warie

SPEAKER: Clr JNED Klazen

MEMBERS OF THE EXECUTIVE MAYORAL COMMITTEE

EXECUTIVE MAYOR:	Clr KA Klaasen
DEPUTY MAYOR:	Clr ZG Mdala
OTHER MEMBERS:	Clr S Louw
	Clr K Robyn
	Clr JJ Visagie

TOP MANAGEMENT

MUNICIPAL MANAGER:	Vacant	Acting: Mr D Nasson
DIRECTOR: COMMUNITY SERVICES	Vacant	Acting: Mr KD Stuurman
DIRECTOR: CORPORATE SERVICES	Mr D Nasson	
DIRECTOR: FINANCIAL SERVICES	Vacant	Acting: Mr HL Le Roux
DIRECTOR: TECHNICAL SERVICES	Vacant	

ADDITIONAL INFORMATION

GRADING OF LOCAL AUTHORITY		AUDITORS	BANKERS
Councillor grading:	3	Auditor-General	ABSA
Employee grading:	7		

REGISTERED OFFICE

Municipality	P O Box 44	Telephone:	023-3161854
Voortrekker Street 50	CERES	Telefax:	023-3161877
CERES	6835	e-mail:	admin@witzenberg.gov.za

APPROVAL OF FINANCIAL STATEMENTS

I am responsible for the preparation of these annual financial statements, which are set out on pages 10 to 27, in terms of section 126(1) of the Municipal Finance Management Act and which I have signed on behalf of the Municipality.

I certify that the salaries, allowances and benefits of Councilors as disclosed in note 15 of these annual financial statements are within the upper limits of the framework envisaged in Section 219 of the Constitution, read with the Remuneration of the Public Officer Bearers Act and the Minister of Provincial and Local Governments determination in accordance with this Act.

D Nasson _____ Date: _____

Acting Municipal Manager
(Accounting Officer)

EXECUTIVE MAYOR'S FOREWORD

Sec. 122 of the Municipal Finance Management Act requires of each Municipality to prepare financial statements which duly represents "the state of affairs of the Municipality, its performance against its budget, its management of revenue, expenditure, assets and liabilities, its business activities, its financial results and its financial position as at the end of the year".

I verily belief that the 2007/2008 financial statements are a reflection of what the Act requires.

My predecessor in his foreword to the 2006/2007 financial statements highlighted the critical and strategic issues that impacts on our financial viability. These issues remain relevant although some have been addressed whether fully or partly. In this regard the valuations in terms of the new Property Rates Act have been finalised and we are well on track in implementing same at the start of the new 2009/2010 financial year. We have established a Procurement unit, adopted a procurement policy as well as establishing the evaluation and adjudication bid committees. The procurement network and software programme will be fully functional towards the end of September 2008. Non-financial managers will be trained on this towards the middle of October 2008.

Our biggest short term challenge was however the filling of senior vacancies in our Administration. The Municipal Manager, who was suspended in November 2007 resigned before the disciplinary process could be finalised. The Chief Financial Officer who was also the Acting Accountant Officer, until the 23rd of May 2008, has also resigned. This effectively left Council with only one full time Sec. 57 appointment. This matter has now been addressed and we have appointed both a Director Technical as well as a Director Community Services on the 28th of August 2008. Both the positions of Chief Financial Officer and Municipal Manager have been advertised. The short listing and interview for CFO were conducted and a Special Council Meeting is scheduled for September 2008 for the appointment of same. The closing date for the vacancy of Municipal Manager was 29 August 2008 and we contemplate appointing the incumbent at the Council meeting on 30 September 2008. I believe that a fully capacitated senior management team will speed up the recovery process that we have embarked upon with the adoption of our 5 year Integrated Development Plan.

In my budget speech of 29 May 2008 I alluded to the responsibility entrusted on us as the political leadership. We have committed ourselves to champion the financial recovery of this Municipality. We will ensure a stable political environment because it is paramount for a sound Financial Governance Framework. We have further committed ourselves to ensure:

1. That all our financial commitments are met timeously.
2. Arrears and payment by bulk resources be monitored.
3. Payment of all short term debt within the financial year incurred.
4. Compliance with formats and statutory requirements.

Please accept my appreciation for the support from the Deputy Mayor, Speaker, Executive Committee members and all other Councillors for their assistance in achieving this goal. To the Acting Municipal Manager and especially the Acting CFO and his staff I commend you for your hard word and dedication.

_____

COUNCILLOR KEVIN KLAASEN
EXECUTIVE MAYOR

ACCOUNTING POLICIES

1. Basis of presentation

1.1 These financial statements have been prepared in order to conform to the standards prescribed by the Institute of Municipal Treasurers and Accountants in its Code of Accounting Practice (1997) and Report on Published Annual Financial Statements (Second edition – January 1996) as well as certain reforms concerning Statutory funds, reserves and capital receipts to comply with the MFMA Circular no 18 of National Treasury regarding New Accounting standards and format of Annual Financial Statements.

1.2 The financial statements are prepared on the historical cost basis.

1.3 The financial statements are prepared on the accrual basis as stated:

2. Consolidation

The financial statements include the Rate and General services, Housing services, Trading services and the different funds and reserves. All inter departmental charges are set-off against each other, with the exception of assessment rates, refuse removal, sewerage, electricity, water and vehicle costing, which are treated as income and expenditure in the respective departments.

3. Fixed assets

3.1 Fixed assets are stated:
At historical cost, or
At valuation (based on the market price at date of acquisition), where assets have been acquired by grant or donation, while they are in existence and fit for use.

3.2 All net proceeds from the sale of assets are credited to the Asset Financing Fund.

3.3 Fixed assets are financed from different sources, including external loans, operating income, endowments and internal advances. These loans and advances are repaid within the estimated lives of the assets acquired from such loans or advances. Interest is charged to the service concerned at the ruling interest rate applicable at the time that the advance is made.

4. Inventory

Inventory is valued at average cost. Unsold erven are represented at the value set by Council as selling price.

5. Funds and Reserves

5.1 **STATUTORY FUNDS, RESERVES AND CAPITAL RECEIPTS**

The municipality creates and maintains Statutory Funds, Reserves and Capital Receipts in terms of specific requirements.

5.1.1 **Asset Financing Fund**

In order to finance the future purchase of items of property, plant and equipment amounts are transferred out of the net surplus for a period into the Asset Financing Fund (AFF). These transfers from the net surplus may only be made if backed by specific assets or liabilities and if they were appropriately budgeted for in the operating budget.
The following provisions are set for the creation and utilisation of the AFF:

- The cash which backs up the AFF is invested until it is utilised. The cash may only be invested in
- Interest earned on investments is recorded as interest earned in the notes to the Income Statement.
- The AFF may only be utilised for the purpose of purchasing items of property, plant and equipment
- If a profit is made on the sale of assets the profit on these assets sold is reflected in the income

5.1.2 **Housing Development Fund**

Section 15(5) and 16 of the Housing Act, (Act 107 of 1997), which came into operation on 1 April 1998, requires that the municipality maintain a separate housing operating account. This legislated separate operating account will be known as the Housing Development Fund.
The Housing Act also requires in terms of Section 14(4)(d)(ii)(aa) read with, *inter alia,* Section 16(2) that the net proceeds of any letting, sale of property or alienation, financed previously from government housing funds, be paid into a separate operating account and be utilised by the Municipality for housing development in accordance with the National Housing Policy.
The following provisions are set for the creation and utilisation of the Housing Fund:

- The Housing Fund is represent by specific assets or liabilities. When the fund has cash it is invested
- The fund may be utilised for housing developments in accordance with the national housing policy
- Any contributions to or from the fund are shown as transfers.

5.1.3 **Unutilised Capital Receipts.**

Unutilised capital receipts are reflected on the Balance Sheet as a creditor. They represent unspent government grants, subsidies and contributions from the public.
The following provisions are set for the creation and utilisation of this creditor:

- Where possible, the cash which backs up the creditor is invested until it is utilised. The cash may only be invested in accordance with the investment policy of the municipality.
- Interest earned on the investment is recorded as interest earned in the notes to the Income Statement and is then transferred via the income statement to the creditor. This will be in accordance with council policy and in line with the donor stipulations.

5.2 **TRUST FUNDS**

Trust funds reflected on the balance sheet represent funds held by the municipality on behalf of or for the benefit of third parties outside of the municipality and are governed by the following rules:

- Each trust is evidenced by a legal trust document.
- The municipality is a trustee of the trust.
- The municipality is represented as a trustee of the trust through its officials or councilors, who have

5.3 **PROVISIONS**

A provision is recognised when the municipality has a present obligation (legal or constructive) as a result of a past event and it is probable (i.e. more likely than not) that an outflow of resources will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation. Provisions are reviewed at each balance sheet date and adjusted to reflect the current best estimate. Where the effect of the time value of money is material, the amount of a provision is the present value of the expenditures expected to be required to settle the obligation.

5.3.1 **Post Retirement Benefits**

(i) **Pensions/Retirement Funds**

The Council and its employees contribute to various Pension Funds and its councilors contribute to the Pension Fund for Municipal Councilors. Both provide retirement benefits to such employees and councilors.

The retirement benefits are calculated in accordance with the rules of the funds. Internal valuations by the funds are performed on a regular basis.

Current contributions are charged against the operating account of the Council at a percentage of the basic salary paid to employees, or allowances in the case of councilors.

5.3.2 **Accrued Leave Pay**

Liabilities for annual leave are recognised as they accrue to employees. Provision is based on the potential cash liability and is annually reviewed.

5.3.3 **Provision for doubtful debts**

Accounts Receivable consist of amounts owed to the municipality by ratepayers and consumers. A provision for doubtful debts is established for reporting purposes based on past experience in the collection of accounts receivable and analysis of outstanding balances. The provision is based on all accounts older than 90 days.

6. Surpluses and Deficits

Any surpluses or deficits arising from the operation of the electricity and water services are transferred to Rate and General Services.

7. Treatment of administration and other overhead expenses

The costs of internal support services are transferred to the different services in accordance with the Institute Report on Accounting for Support Services (June 1990).

8. Leased assets

Fixed assets held under finance leases are capitalised. Such assets are effectively amortised over the term of the lease agreement.

Lease finance charges are allocated to accounting periods over the duration of the leases, by the effective

interest rate method, which reflects the extent and cost of lease finance utilised in each accounting period.

All other leases are treated as operating leases and the relevant rentals are charged to the operating account in a systematic manner related to the period of use of the assets concerned.

9. Investments

Investments are shown at the lower of cost or market value if a permanent decline in the value occurred, and are invested per Circular C/46/1994 issued by the Provincial Legislature.

10. Deferred charges

The balance outstanding of the costs incurred in raising loans on the capital market, are recovered from operating income over the period of the various loans involved.

11. Income recognition

11.1 **Electricity and water billings**
All meters are read and billed monthly.

11.2 **Assessment Rates**
The Council applies a differential rating system. In terms of this system the assessment rates are levied on the land value of property and improvements on the same tariff.

TREASURER'S REPORT

INTRODUCTION

The Financial Statements were compiled to comply with IMFO's standards and council policy. This report has the purpose to highlight certain important issues.

1. OPERATING RESULTS

Details of the operating results per departement, classification and object of expenditure are included in appendices D and E. The applicable statistics are shown in appendix F. The overall operating results for the year ended 30 June 2008 are as follows:

INCOME	Actual 2007	Actual 2008	Variance 2007 - 2008	Budget 2008	Variance Actual/ Budget
	R	R	%	R	%
Opening surplus	10 614 459	9 591 965	(9.6)	9 577 283	0.2
Operating income for the year	145 750 978	163 913 475	12.5	161 529 330	1.5
Closing deficit	-	-		-	
	156 365 437	173 505 440		171 106 613	
EXPENDITURE					
Opening deficit	-	-		-	
Operating expenditure for the year	145 468 623	164 022 245	12.8	161 514 648	1.6
Sundry Transfers	1 304 849	971 013	(25.6)		
Closing surplus	9 591 965	8 512 182	(11.3)		
	156 365 437	173 505 440		161 514 648	

1.1. Rates and General Services

INCOME & EXPENDITURE	Actual 2007	Actual 2008	Variance 2007 - 2008	Budget 2008	Variance Actual/ Budget
	R	R	%	R	%
Income	69 745 205	81 179 069	16.4	79 782 721	1.8
Expenditure	75 891 529	99 112 116	(30.6)	98 002 479	1.1
Surplus / (Deficit)	(6 146 324)	(17 933 047)	(191.8)	(18 219 758)	1.6
Surplus / (Deficit) as % of total income	(4.2)	(10.9)		(31.25)	

1.2. Trading Services

INCOME & EXPENDITURE	Actual 2007	Actual 2008	Variance 2007 - 2008	Budget 2008	Variance Actual/ Budget
	R	R	%	R	%
Income	74 702 672	81 230 814	8.7	80 260 948	1.2
Expenditure	68 273 993	63 446 397	(7.1)	62 081 779	(2.2)
Surplus / (Deficit)	6 428 679	17 784 417	176.6	18 179 169	(2.2)
Surplus / (Deficit) as % of total income	4.4	10.8		31.18	

2. CAPITAL EXPENDITURE AND FUNDING

The expenditure on fixed asset outlay amounted R 34,491,041 - 42.28% more than the previous year. The reason for the variance in budget as opposed to the actual expenditure was:

Department	Amount overspend	
Sewerage	R 12 505	1.03%
Housing	R 414 953	1.74%
Water	R 515 626	47.08%

The resources to finance the fixed assets are as follow:

	2007 Actual	2008 Actual	2008 Budget
External loans	1 735 969	3 666 333	4 015 197
Contributions from:			
- Income	-	-	-
- Grants and subsidies	22 430 843	30 696 999	29 700 797
- Reserves	74 964	127 709	127 709
	24 241 776	34 491 041	33 843 703

A complete analysis of capital expenditure (budgeted and actual) per department, classification or service is reflected in appendix C. More details regarding external loans and internal advances utilised to finance fixed assets are reflected in appendix B.

3. EXTERNAL LOANS, INVESTMENTS AND CASH

External loans outstanding on 30 June 2008 amounted to R 65,733,199 (R 75,591,361 in 2007) as detailed in appendix B. During the year external loans amounting to R 9,990,770 was repaid.

The net investments and cash at 30 June 2008 amounted to a positive amount of R 23,048,538. (R 22,494,904 positive in 2007).

More information regarding loans and investments are disclosed in notes (4 and 7) and appendix B as annexure to the financial statements.

4. FUNDS AND RESERVES

The Council adopt a policy to comply with general recognized accounting practices and implimented a part of it. All funds and reserves are represented in cash, investments and assets.

More information regarding funds and reserves are disclosed in the notes (1 to 3) and appendix A as contained in the financial statements.

5. POST BALANCE SHEET DATE EVENTS

None

EXPRESSION OF APPRECIATION

I am grateful to the Council, the Municipal Manager and members of Management for their support and understanding. Appreciation is also expressed to the staff of the Financial services for their assistance and support during the preparation of the financial statements.

HL Le Roux
Acting Chief Financial Officer

30 August 2008

BALANCE SHEET AT 30 JUNE 2008

	Note	2008 **R**	2007 **R**
CAPITAL EMPLOYED			
FUNDS AND RESERVES		6 963 427	5 685 453
Statutory funds	1	6 963 427	5 685 453
Reserves	2	-	-
ACCUMULATED (DEFICIT)/RETAINED INCOME	18	8 512 182	9 591 965
		15 475 609	15 277 418
TRUST FUNDS	3	-	-
LONG-TERM LIABILITIES	4	56 428 358	65 675 789
CONSUMER DEPOSITS: SERVICES	5	1 416 352	1 245 768
		73 320 319	**82 198 975**
EMPLOYMENT OF CAPITAL			
FIXED ASSETS	6	71 395 172	77 730 799
INVESTMENTS	7	3 464 532	8 483 390
LONG-TERM DEBTORS	8	3 414 947	3 425 946
DEFERRED CHARGES	11	-	-
		78 274 651	89 640 135
NET CURRENT ASSETS/(LIABILITIES)		-4 954 332	-7 441 160
CURRENT ASSETS		44 911 872	37 955 838
Inventory	9	3 184 715	3 574 482
Debtors	10	16 831 214	15 820 924
Cash		12 035	6 955
Short-term investments	7	24 786 151	18 417 996
Short-term portion of long-term debtors	8	97 757	135 481
CURRENT LIABILITIES		-49 866 204	-45 396 998
Provisions	12	7 471 241	5 682 509
Creditors	13	27 875 942	25 385 479
Short-term portion of long-term liabilities	4	9 304 841	9 915 572
Bank overdraft		5 214 180	4 413 438
		73 320 319	**82 198 975**

INCOME STATEMENT FOR THE YEAR ENDED 30 JUNE 2008

2007 Actual income R	2007 Actual expenditure R	2007 Surplus / deficit R		2008 Actual income R	2008 Actual expenditure R	2008 Surplus / (deficit) R	2008 Budget Surplus (deficit) R
69 745 205	75 891 529	-6 146 324	**RATES AND GENERAL SERVICES**	81 179 069	99 112 116	-17 933 047	18 219 758
39 195 183	40 513 163	-1 317 980	Community services	47 854 558	66 755 138	-18 900 580	20 120 395
177 342	4 338 465	-4 161 123	Subsidised services	488 519	4 970 636	-4 482 117	4 588 952
30 372 680	31 039 901	-667 221	Economic services	32 835 992	27 386 342	5 449 650	-6 489 589
1 303 101	1 303 101	-	**HOUSING SERVICES**	1 503 592	1 463 732	39 860	-55 271
74 702 672	68 273 993	6 428 679	**TRADING SERVICES**	81 230 814	63 446 397	17 784 417	-18 179 169
145 750 978	145 468 623	282 355	**TOTAL**	163 913 475	164 022 245	-108 770	-14 682
		-1 304 849	Appropriations for the year (refer to note 18)			-971 013	
		-1 022 494	**Net surplus / (deficit) for the year**			-1 079 783	
		10 614 459	Accumulated surplus / (deficit): beginning of the year			9 591 965	
		9 591 965	**ACCUMULATED SURPLUS / (DEFICIT): END OF THE YEAR**			8 512 182	

(Refer to appendices D and E for more details)

CASH FLOW STATEMENT FOR THE YEAR ENDED 30 JUNE 2008

	Note	2008	2007
CASH RETAINED FROM OPERATING ACTIVITIES		44 893 820	21 019 898
Cash generated by operations	19	30 995 877	23 878 126
Investment income		1 943 207	1 920 293
(Increase) / decrease in working capital	20	(8 258 108)	(15 749 203)
		24 680 976	10 049 216
Less: External interest paid		(10 484 155)	(11 535 125)
Cash available from operations		14 196 821	(1 485 909)
Cash contributions from the public and the State		30 696 999	22 505 807
CASH UTILISED IN INVESTING ACTIVITIES			
Investment in fixed assets		(34 491 041)	(24 241 777)
Corrections and disposals in fixed assets		9 018	-
NET CASH FLOW		10 411 797	(3 221 879)
CASH EFFECTS OF FINANCING ACTIVITIES			
Increase / (decrease) in long-term loans	21	(9 858 162)	(6 268 982)
Increase / (decrease) in short-term loans	22	-	-
(Increase) /decrease in cash investments	23	(1 349 297)	(15 845 328)
(Increase) / decrease in cash	24	795 662	25 336 189
		(10 411 797)	3 221 879

NOTES TO THE FINANCIAL STATEMENTS AT 30 JUNE 2008

		2008 R	2007 R
1.	**STATUTORY FUNDS**		
	Asset Financing	3 688 858	1 637 824
	Housing development Fund	3 274 569	4 047 629
		6 963 427	5 685 453
	The Asset Financing Fund is represented by the following assets and liabilities:		
	Investments (See note 7)	2 789 382	1 417 996
	Bank and cash	899 476	219 828
		3 688 858	1 637 824
	The Housing Development Fund is represented by the following assets and liabilities:		
	Long-term Debtors (See note 8)	3 330 225	3 362 398
	Housing Rental Debtors (Included in note 10)	2 207 290	1 953 090
	Bank and cash	-2 262 946	-1 267 859
		3 274 569	5 315 488
2.	**RESERVES**		
		-	-
		-	-
3.	**TRUST FUND**		
		-	-
		-	-
	(Refer to Appendix A for more details)		
4.	**LONG TERM LIABILITIES**		
	Local registered stock	-	-
	Annuity loans	65 733 199	75 591 361
	Short term loans	-	-
	Lease commitments	-	-
		65 733 199	75 591 361
	Less: Current portion transferred to		
	Current liabilities	9 304 841	9 915 572
	Local registered stock	-	-
	Short-term loans	-	-
	Annuity loans	9 304 841	9 915 572
		56 428 358	65 675 789

(Refer to Appendix B for more details on long-term liabilities)

GOVERNMENT LOANS
None.

ANNUITY LOANS
Carry interest at rates varying between 9.38% and 18.49% per annum and will be fully redeemed in 2023. The loan from Nedbank to the value of R 4,313,069 is secured by means of the agreement of sale of moveable property, which is leased to the Witzenberg Municipality.

NOTES TO THE FINANCIAL STATEMENTS AT 30 JUNE 2008

	2008 R	2007 R
5. CONSUMER DEPOSITS - SERVICES		
Electricity and water	1 416 352	1 245 768
Guarantees in lieu of electricity and water deposits	-	-
6. FIXED ASSETS		
Fixed assets at the beginning of the year	270 282 505	246 040 729
Capital expenditure during the year	34 491 041	24 241 776
Less: Assets written off, transferred or disposed of during the year	9 018	-
Total fixed assets	304 764 528	270 282 505
Less: Loans redeemed and other capital receipts	-233 369 356	-192 551 705
Net fixed assets	71 395 172	77 730 800

(Refer to Appendix C and Section 2 of the Treasurer's report for more details on fixed assets)

NOTES TO THE FINANCIAL STATEMENTS AT 30 JUNE 2008

	2008 R	2007 R
7. INVESTMENTS		
Listed	-	-
Unlisted	28 250 683	26 901 386
Long-term investments:	3 464 532	8 483 390
Ned bank - Koekedouw dam loan	3 464 532	8 483 390
Asset Financing Fund	-	-
Other	-	-
Short-term investments:	24 786 151	18 417 996
Asset Financing Fund	2 789 382	1 417 996
Unutilized Grants & Subsidies	15 670 952	17 000 000
Other	6 325 817	-
Total investments	28 250 683	26 901 386
Market value of listed investments and management's valuation of unlisted investments		
Listed investments	-	-
Unlisted investments	28 250 683	26 901 386
Average rate of return on investments (gross)	13.04%	16.26%

The long-term investment is established as security against the Nedbank loan as a special financing transaction. The short-term investments are valued at book value.

8. LONG-TERM DEBTORS		
Housing loans	3 330 225	3 362 398
Sport Clubs Loans	149 476	179 283
Town Development	33 003	19 746
	3 512 704	3 561 427
Less: Short-term portion of long-term debtors transferred to current assets	-97 757	-135 481
	3 414 947	3 425 946
9. INVENTORY		
Inventory represents consumable stores, raw materials, work-in-progress and finished goods. Where necessary specific provision is made for obsolete inventory	3 184 715	3 574 482

NOTES TO THE FINANCIAL STATEMENTS AT 30 JUNE 2008

	2008 R	2007 R
10. DEBTORS		
Consumer debtors	58 512 539	47 994 778
Other debtors	2 152 771	1 334 459
Project accounts	1 714 314	1 692 742
Amounts paid in advance	-	-
	62 379 624	51 021 979
Less: Provision for bad debts	45 548 410	35 201 055
	16 831 214	15 820 924
No Bad debt was written off.		
The Age analysis of Consumer debtors are as follow:		
Current	8 686 590	7 653 804
30 days	1 733 495	1 603 331
60 days	1 165 216	1 122 349
90 days	1 072 842	855 931
Older	45 141 037	36 104 196
11. DEFERRED CHARGES	-	-
12. PROVISIONS		
Backdated Remuneration	1 500 000	-
Landfill sites - rehabilitation	3 190 000	3 190 000
Leave pay	2 458 780	2 293 485
Performance bonuses	264 458	199 024
Redundant Stock	58 003	-
	7 471 241	5 682 509
13. CREDITORS		
Trade creditors	4 204 302	3 672 499
Other creditors	1 036 158	244 201
Deposits	104 425	95 031
Project Creditors	21 846 758	20 664 546
Amounts received in advance	684 299	709 202
	27 875 942	25 385 479

14. ASSESSMENT RATES

	Valuation as at 30 June 2007 R'000	*Actual income 2008* R'000	*Actual income 2007* R'000
Residential	446 493	8 513	7 888
Commercial	127 744	2 532	2 212
Industrial	153 821	3 009	2 826
Agricultural	607 001	3 859	3 455
State	91 914	1 175	1 100
Non Rate able (including Municipal property)	260 599	-	-
	1 687 572	19 088	17 481

Valuations on land and improvements are executed every four years, but due to the new property rates act it will only be completed and implemented in the 2009/2010 financial year.
The last general valuation came into effect on July 2002. The Council levy a differential tariff based on area and use. The tariffs are as follow:

All agricultural areas	0.60c/R
Ceres	2.07c/R
Op-die- Berg	0.71c/R
Prince Alfred's Hamlet	1.16c/R
Tulbagh	1.84c/R
Wolseley	1.69c/R

	2008 R	2007 R
15. REMUNERATION		
Councilors		
Executive Mayor	430 574	392 871
Deputy Mayor	314 696	312 780
Speaker	350 370	307 282
Councilors allowances	962 436	1 814 380
Mayoral committee allowances	2 016 013	930 308
Medical contributions	27 881	34 030
Councilors pension contributions	449 732	348 599
	4 551 702	4 140 250
Officials		
Municipal Manager	869 892	783 446
Director: Community Services	588 018	502 969
Director: Corporate services	665 170	537 880
Director: Finance Services	641 942	507 923
Director: Technical Services	77 914	549 715

16. AUDITORS' REMUNERATION

Audit fees	700 061	670 011
	700 061	670 011

NOTES TO THE FINANCIAL STATEMENTS AT 30 JUNE 2008

	2008 R	2007 R
17. FINANCE TRANSACTIONS		
Total external interest earned or paid		
- Interest earned	1 943 207	1 920 293
- Interest paid	10 484 155	11 535 125
Capital charges debited to operating account:		
Interest:		
- External	10 465 749	11 508 059
- Internal	-	-
Redemption:		
- External	10 120 652	6 987 684
- Internal	-	-
Deferred charges written off	-	-
	20 586 401	18 495 743
18. APPROPRIATIONS		
Appropriation account:		
Accumulated surplus at the beginning of the year	9 591 965	10 614 459
Operating (deficit) / surplus for the year	(108 770)	282 355
Appropriations for the year	(971 013)	(1 304 849)
Previous year adjustments	(971 013)	(1 304 849)
Accumulated (deficit) / surplus at the end of the year	8 512 182	9 591 965
Operating account:		
Capital expenditure	-	-
Contributions to:		
- Funds, reserves and provisions	14 084 100	8 983 434
- Other direct contributions to provisions	429 753	
	14 513 853	8 983 434

NOTES TO THE FINANCIAL STATEMENTS AT 30 JUNE 2008

	2008 R	2007 R
19. CASH GENERATED BY OPERATIONS		
(Deficit) / Surplus for the year	-108 770	282 355
Adjustments in respect of:		
Previous years' operating transactions	-971 013	-1 304 849
Appropriations charged against income	14 513 853	8 983 434
Provisions and reserves	14 513 853	8 983 434
Fixed assets	-	-
Capital charges:		
Interest paid:		
- to internal funds	-	-
- on external funds	10 465 749	11 508 059
Redemption:		
- of internal advances	-	-
- of external loans	10 120 652	6 987 684
Deferred charges written off	-	-
Interest paid: (operating account)	18 406	27 066
Investment income (operating account)	-1 943 207	-1 920 293
Non-operating income	-	-
Non-operating expenditure	-1 099 793	-685 330
	30 995 877	23 878 126
20. (INCREASE) / DECREASE IN WORKING CAPITAL		
(Increase) / Decrease in inventory	389 767	-1 245 820
(Increase) / Decrease in debtors, long term debtors	-11 308 922	-6 129 402
Increase / (Decrease) in creditors, consumer deposits	2 661 047	-8 373 981
	-8 258 108	-15 749 203
21. INCREASE / (DECREASE) IN LONG-TERM LOANS (EXTERNAL)		
Loans raised	132 608	394 432
Loans repaid	-9 990 770	-6 663 414
	-9 858 162	-6 268 982

NOTES TO THE FINANCIAL STATEMENTS AT 30 JUNE 2008

	2008 R	2007 R
22. INCREASE / (DECREASE) IN SHORT-TERM LOANS (EXTERNAL)		
Loans raised	-	-
Loans repaid	-	-
	-	-
23. (INCREASE) / DECREASE IN EXTERNAL CASH INVESTMENTS		
Investments realised	42 796 742	4 378 167
Investments made	44 146 039	20 223 495
	(1 349 297)	(15 845 328)
24. (INCREASE) / DECREASE IN CASH ON HAND		
Cash balance at the beginning of the year	(4 406 483)	20 929 706
Less: Cash balance at the end of the year	(5 202 145)	(4 406 483)
	795 662	25 336 189

25. RETIREMENT BENEFITS

Witzenberg Municipal Council contribute towards the following retirement benefit schemes, Cape Joint Pension, South African Local Authority, Cape Joint Retirement, National fund for Municipal workers (IMATU), Municipal Councilors pension fund and SAMWU National Provident Fund.

26. LIST OF MUNICIPAL ENTITIES UNDER THE SOLE OR SHARED CONTROL OF THE MUNICIPALITY

None

	2008 R	2007 R
27. ADDITIONAL DISCLOSURES IN TERMS OF MUNICIPAL FINANCE MANAGEMENT ACT		
27.1 Contributions to organised local government		
(SALGA & WECPRO)		
Opening balance	-	-
Council subscriptions	198 606	160 294
Amount paid - current year	198 606	160 294
Amount paid - previous years	-	-
Balance unpaid	**-**	**-**
27.2 Audit fees		
Opening balance	-	-
Current year audit fee	700 061	670 011
Amount paid - current year	700 061	670 011
Amount paid - previous years	-	-
Balance unpaid	**-**	**-**
27.3 Taxes		
27.3.1 VAT		
Opening balance	146 899	183 674
Input receivables	11 622 651	10 896 985
Output receivables	13 920 715	12 397 581
Amount paid - current year	3 021 659	1 353 697
Amount paid - previous years	146 899	183 674
Balance unpaid	**(723 595)**	**146 899**
(All VAT returns have been submitted)		
27.3.2 PAYE and UIF		
Opening balance	-	-
Current year payroll deductions and Council Contributions	5 673 776	4 913 687
Amount paid - current year	5 673 776	4 913 687
Amount paid - previous years	-	-
Balance unpaid	**-**	**-**
27.4 Levies		
27.4.1 Skills development		
Opening balance	-	-
Current year levy	431 293	411 733
Amount paid - current year	431 293	411 733
Amount paid - previous years	-	-
Balance unpaid	**-**	**-**
27.4.2 Water levies & research levy		
Opening balance	580 125	-
Current year levy	260 002	123 726
Amount paid - current year	195 850	123 726
Amount paid - previous years	580 125	-
Balance unpaid	**64 152**	**-**

(See note 29)

	2008 R	2007 R
27. ADDITIONAL DISCLOSURES IN TERMS OF MUNICIPAL FINANCE MANAGEMENT ACT (Cont.)		
27.5 Pension and Medical Aid Deductions		
Opening balance	-	-
Current year payroll deductions and Council Contributions	13 408 000	13 362 168
Amount paid - current year	13 408 000	13 362 168
Amount paid - previous years	-	-
Balance unpaid	**-**	**-**

27.6 Councilor's arrear consumer accounts

The following Councilors had arrear accounts outstanding for more than 90 days as at:

30th June 2008	**Total** **R**	**Outstanding less than 90 days** **R**	**Outstanding 90 days and more** **R**
None	-		
Total Councilors Outstanding Consumer Accounts	**-**	**-**	**-**

30th June 2007	**Total** **R**	**Outstanding less than 90 days** **R**	**Outstanding 90 days and more** **R**
Adams, D&KWS	700	288	412
Geldenhuys, MM	244	-	244
Klazen, JNED	1 147	133	1 014
Louw, S&EV	698	683	15
Mdala, ZG	2 248	-	2 248
Swangaza, PX	3 772	496	3 276
Total Councilors Outstanding Consumer Accounts	**8 809**	**1 600**	**7 209**

27.7 Non-compliance with Chapter 11 of the Municipal Finance Management Act

The Municipality has only adopted a supply chain management policy that complies with chapter 11 of the MFMA in 29 April 2008. All transactions, as far as possible, were handled within the legislative framework provided by the act and the regulations as from that date.

	2008 R	2007 R
27.8 Unauthorised, irregular, fruitless and wasteful expenditure disallowed		
27.8.1 Unauthorised expenditure		
Reconciliation of unauthorised expenditure		
Opening balance	1 777 459	2 399 435
Unauthorised expenditure current year	5 420 187	1 777 459
Approved by Council or condoned	-	2 399 435
Transfer to receivebles for recovery	-	-
Unauthorised expenditure awaiting authorization	7 197 646	1 777 459

Incident	Steps taken
Overspending of Votes 2006/2007	Report compiled - (Trim ref. 05/14/1/3/004/)
Overspending of Votes 2007/2008	Report compiled - (Trim ref. 05/14/1/4/002/)

27.8.2 Fruitless and wasteful expenditure

Reconciliation of fruitless and wasteful expenditure		
Opening balance	64 190	34 767
Fruitless and wasteful expenditure current year	-	29 423
Approved by Council or condoned	-	-
Transfer to receivebles for recovery	-	-
Fruitless and wasteful expenditure awaiting condonement	64 190	64 190

Incident	Steps taken
Interest due to late payment of VAT Sept '05	Corporate & strategic committee Resolution 7.1 dated 14 March 2007.
Interest due to late payment - R 12,290	Report compiled (Trim ref. 05/10/1/0964/ - dated 23 May 2007)
Incorrect payment of claim - R 17,132.50	Report compiled (Trim ref. 05/10/1/1037/ - dated 28 August 2007)

27.8.3 Irregular expenditure

Reconciliation of fruitless and wasteful expenditure		
Opening balance	-	-
Irregular expenditure current year	-	-
Approved by Council or condoned	-	-
Transfer to receivebles for recovery	-	-
Irregular expenditure awaiting condonement	-	-

	2008 R	2007 R
28 BANK, CASH AND OVERDRAFT BALANCES		
The municipality has the following bank accounts:		
28.1 Current Accounts		
(a) Primary Bank Account		
Institution: ABSA		
Type of Account: Cheque		
Account Number: 03-5000-0011		
Cash book balance at beginning of year - overdrawn	3 445 551	212 590
Cash book balance at end of year - overdrawn	R 4 245 236.00	3 445 551
Bank statement balance at beginning of year - (overdrawn)	-1 801 979	2 330 825
Bank statement balance at end of year - (overdrawn)	-2 479 573	-1 801 979
(b) Housing Account		
Institution: ABSA		
Type of Account: Cheque		
Account Number: 3-5014-8523		
Cash book balance at beginning of year - overdrawn	967 887	979 285
Cash book balance at end of year - overdrawn	968 944	967 887
Bank statement balance at beginning of year - (overdrawn)	-967 887	-979 285
Bank statement balance at end of year - (overdrawn)	-968 944	-967 887
(c) Un-utilized Project Funds Account		
Institution: ABSA		
Type of Account: Cheque		
Account Number: 40-5816-3202		
Cash book balance at beginning of year - overdrawn	-	-22 114 145
Cash book balance at end of year - overdrawn	-	-
Bank statement balance at beginning of year - (overdrawn)	-	22 114 145
Bank statement balance at end of year - (overdrawn)	-	-
28.2 Petty Cash on Hand		
Petty cash on hand	12 035	6 955

	2008 R	2007 R
28. BANK, CASH AND OVERDRAFT BALANCES (Cont.)		
28.3 Savings Accounts		
(a) Institution: ABSA		
Type of Account: 32 days Call		
Account Number: 90-6631-3406		
Cash book balance at beginning of year	20 576	19 502
Cash book balance at end of year	-	20 576
Bank statement balance at beginning of year	-20 576	-19 502
Bank statement balance at end of year	-	-20 576
(b) Institution: Nedbank		
Type of Account: Fixed deposit		
Account Number: 123 210 192 3		
Cash book balance at beginning of year	8 483 390	11 023 856
Cash book balance at end of year	3 464 532	8 483 390
Bank statement balance at beginning of year	-8 483 390	-11 023 856
Bank statement balance at end of year	-3 464 532	-8 483 390
(c) Institution: ABSA		
Type of Account: Fixed deposit		
Account Number: 20-5650-6236		
Cash book balance at beginning of year	13 530	12 700
Cash book balance at end of year	-	13 530
Bank statement balance at beginning of year	-13 530	-12 700
Bank statement balance at end of year	-	-13 530
(d) Institution: Nedbank		
Type of Account: Fixed deposit		
Account Number: 03/7881032766/07		
Cash book balance at beginning of year	-	-
Cash book balance at end of year	1 449 393	-
Bank statement balance at beginning of year	-	-
Bank statement balance at end of year	-1 449 393	-
(e) Institution: Nedbank		
Type of Account: 03/7881032766/09		
Account Number: Call		
Cash book balance at beginning of year	-	-
Cash book balance at end of year	1 339 989	-
Bank statement balance at beginning of year	-	-
Bank statement balance at end of year	-1 339 989	-

	2008 R	2007 R
28. BANK, CASH AND OVERDRAFT BALANCES (Cont.)		
28.3 Savings Accounts (cont.)		
(f) Institution:Nedbank		
Type of Account: 03/7881032766/10		
Account Number: Call		
Cash book balance at beginning of year	-	-
Cash book balance at end of year	1 593 946	-
Bank statement balance at beginning of year	-	-
Bank statement balance at end of year	-1 593 946	-
(g) Institution: Ned bank		
Type of Account: 32 days Call		
Account Number: 03/7881032766		
Cash book balance at beginning of year	1 383 890	-
Cash book balance at end of year	-	1 383 890
Bank statement balance at beginning of year	-1 383 890	-
Bank statement balance at end of year	-	-1 383 890
(h) Institution: ABSA		
Type of Account: Call		
Account Number: 91-8448-3785		
Cash book balance at beginning of year	7 000 000	-
Cash book balance at end of year	5 670 952	7 000 000
Bank statement balance at beginning of year	-7 000 000	-
Bank statement balance at end of year	-5 670 952	-7 000 000
(i) Institution: Standard bank		
Type of Account: Fixed deposit (12 months)		
Account Number: 88779831-001		
Cash book balance at beginning of year	10 000 000	-
Cash book balance at end of year	-	10 000 000
Bank statement balance at beginning of year	-10 000 000	-
Bank statement balance at end of year	-	-10 000 000
(j) Institution: Nedbank		
Type of Account: Call		
Account Number:03/7881032766/11		
Cash book balance at beginning of year	-	-
Cash book balance at end of year	4 731 871	-
Bank statement balance at beginning of year	-	-
Bank statement balance at end of year	-4 731 871	-
(k) Institution: Standard bank		
Type of Account: Fixed deposit (12 months)		
Account Number: 88779831-002		
Cash book balance at beginning of year	-	-
Cash book balance at end of year	10 000 000	-
Bank statement balance at beginning of year	-	-

Bank statement balance at end of year	-10 000 000	-

	2008 R	2007 R
29. CONTINGENT LIABILITY		
Claim for:		
Damages	0	0
Water levies	0	1 062 517
	0	1 062 517
30. CAPITAL COMMITMENTS		
Commitments in respect of capital expenditure:		
- Approved and contracted for	80 000	5 048 650
- Approved but not yet contracted for	292 936	486 169
	372 936	5 534 819
This expenditure will be financed from:		
- Internal sources	194 417	48 490
- External sources	178 519	5 486 329
	372 936	5 534 819

APPENDIX A

STATUTORY FUNDS, RESERVES AND TRUST FUNDS

	Balance at 30/06/2007	Contributions during the year	Interest on investments	Other income	Adjustments during the year	Operating expenditure during the year	Capital expenditure during the year	Balance at 30/06/2008
STATUTORY FUNDS								
Asset Financing	1 637 824	2 178 743					127 709	3 688 858
Housing Development Fund	4 047 629	-	-	-	-	773 060	-	3 274 569
	5 685 453	2 178 743	-	-	-	773 060	127 709	6 963 427
RESERVES								
	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-
TRUST FUNDS								
	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-
PROVISIONS								
Backdated renumeration	-	1 500 000	-	-	-	-	-	1 500 000
Bad debts	35 201 056	10 347 354	-	-	-	-	-	45 548 410
Landfill sites rehabilitation	3 190 000	-	-	-	-	-	-	3 190 000
Leave gratuity	2 293 485	165 295	-	-	-	-	-	2 458 780
Performance Bonuses	199 024	264 458	-	-	-	199 024	-	264 458
Redundant Stock	-	58 003	-	-	-	-	-	58 003
	40 883 565	12 335 110	-	-	-	199 024	-	53 019 651

APPENDIX B
EXTERNAL LOANS AND INTERNAL ADVANCES

EXTERNAL LOANS	Loan Number	Interest rates	Redeemable	Balance at 30 June 2007	Received during the year	Redeemed or written off during the year	Balance at 30 June 2008
				R	R	R	R
Local registered stock							
(Refer to Notes 4)				-	-	-	-
Short-term loans				-	-	-	-
Annuity loans							
ABSA	30-0388-2753	14.00%	31-Mar-08	255 223	-	255 223	-
ABSA	30-0814-4283	14.50%	25-Nov-11	615 453	-	104 361	511 092
ABSA	30-0969-8128	13.05%	14-Feb-13	246 921	-	29 051	217 870
ABSA	30-0969-8534	13.25%	14-Feb-10	818 565	-	237 869	580 696
ABSA	30-0969-8770	12.80%	14-Feb-13	35 609	-	4 219	31 390
ABSA	30-0969-8916	13.20%	14-Feb-10	104 281	-	30 319	73 962
ABSA	30-0969-8990	13.35%	14-Feb-08	256 652	-	256 652	-
ABSA	30-0969-9043	12.80%	14-Feb-13	586 430	-	69 487	516 943
ABSA	30-0969-9085	13.35%	14-Feb-08	130 135	-	130 135	-
ABSA	90-9200-8212	14.50%	30-Dec-10	42 680	-	10 308	32 372
ABSA	90-9200-8204	14.50%	30-Dec-15	75 005	-	5 320	69 685
ABSA	70-9200-8678	14.50%	30-Dec-10	31 432	-	7 592	23 840
ABSA	60-9200-8205	14.50%	30-Dec-10	58 394	-	14 105	44 289
ABSA	20-9201-0018	14.50%	30-Dec-10	58 394	-	14 105	44 289
ABSA	20-9200-9990	14.50%	30-Dec-15	128 256	-	9 098	119 158
ABSA	0-9205-8859	14.50%	30-Dec-15	35 234	-	2 499	32 735
NED BANK	123-210-192-3	18.49%	31-Oct-08	10 768 293	-	6 455 224	4 313 069
CERES GOLF CLUB	49	18.00%	30-Jun-18	43 069	-	7 889	35 180
DBSA	10478/102	12.00%	30-Sep-17	4 080 340	-	306 422	3 773 918
DBSA	10525/104	12.00%	31-Mar-17	35 596 984	-	224 092	35 372 892
DBSA	1118/101	13.00%	30-Sep-18	9 761 102	-	329 608	9 431 494
DBSA	10772/101	15.50%	30-Sep-18	2 206 854	-	76 954	2 129 900
DBSA	102040/1	9.50%	30-Sep-21	206 504	132 608	7 525	331 587
DBSA	102040/2	9.49%	30-Sep-13	1 452 839	-	92 481	1 360 358
DBSA	102040/3	9.38%	31-Mar-11	500 000	-	108 268	391 732
DBSA	11469/101	13.41%	30-Jun-09	163 618	-	76 468	87 150
DBSA	11470/101	13.41%	30-Jun-09	212 917	-	99 508	113 409
DBSA	11471/101	13.41%	30-Jun-09	61 557	-	28 769	32 788
DBSA	11472/101	13.41%	30-Jun-09	35 442	-	16 564	18 878
DBSA	11474/101	17.45%	30-Jun-10	14 160	-	3 950	10 210
DBSA	11476/101	17.45%	30-Jun-10	858 192	-	239 415	618 777
DBSA	11477/101	17.45%	30-Jun-10	21 455	-	5 985	15 470
DBSA	11478/101	17.45%	30-Jun-10	8 582	-	2 394	6 188
DBSA	11479/101	17.45%	30-Jun-10	10 727	-	2 993	7 734
DBSA	11480/101	17.45%	30-Jun-10	28 748	-	8 020	20 728
DBSA	11481/101	17.45%	30-Jun-10	261 113	-	72 844	188 269
DBSA	11482/101	17.45%	30-Jun-10	8 582	-	2 394	6 188
DBSA	11483/101	17.45%	30-Jun-10	97 405	-	27 174	70 231
DBSA	11484/101	15.79%	31-Dec-11	179 171	-	29 895	149 276
DBSA	11485/101	15.79%	31-Dec-11	189 645	-	31 643	158 002
DBSA	11487/101	15.79%	31-Dec-11	861 122	-	143 680	717 442
DBSA	11488/101	15.79%	31-Dec-11	55 129	-	9 198	45 931
DBSA	11490	15.79%	31-Dec-11	194 056	-	32 379	161 677
DBSA	11491	15.79%	31-Dec-11	176 414	-	29 435	146 979
DBSA	11492	15.79%	31-Dec-11	17 090	-	2 852	14 238
DBSA	12977/101	14.65%	31-Dec-12	6 357	-	819	5 538
DBSA	12978/101	14.35%	31-Dec-13	221 491	-	22 455	199 036
DBSA	12982/101	13.95%	30-Jun-09	15 943	-	7 431	8 512
DBSA	12986/101	13.95%	30-Jun-09	62 741	-	29 243	33 498
DBSA	12987/101	13.95%	30-Jun-09	16 161	-	7 532	8 629
DBSA	13160/101	11.25%	31-Dec-11	178 448	-	32 385	146 063
DBSA	13161/101	10.75%	31-Dec-14	23 611	-	2 179	21 432
DBSA	13164/101	15.25%	31-Dec-14	13 510	-	1 059	12 451
DBSA	13167/101	15.73%	31-Dec-07	15 300	-	15 300	-
DBSA	100605/1	14.50%	30-Jun-23	3 488 025	-	218 001	3 270 024
(Refer to Note 4)				75 591 361	132 608	9 990 770	65 733 199

APPENDIX C
ANALYSIS OF FIXED ASSETS

Expenditure 2007	Services	Budget 2008	Balance at 30/06/2007	Expenditure during year	Redeemed, transferred or written off	Balance at 30/06/2008
R		R	R	R	R	R
7 628 483	**RATE AND GENERAL SERVICES**	7 893 714	95 441 314	7 609 482	8 518	103 042 278
2 763 305	**Community services**	5 417 569	48 027 671	5 245 840	8 518	53 264 994
-	Property Rates	0	78 072	-	-	78 072
342 337	Administration	0	860 732	-	1 698	859 034
17 117	Building Regulation & Enforcement	0	17 117	-	-	17 117
105 909	Council Costs	0	253 145	-	6 820	246 325
9 980	Community Halls & Facilities	83 982	3 468 637	75 011	-	3 543 648
20 202	Control room	0	20 202	-	-	20 202
80 317	Electricity: Street lighting	485 955	178 182	485 955	-	664 137
10 428	Environmental protection	6 000	80 069	5 263	-	85 332
-	Health services	0	1 426 488	-	-	1 426 488
14 221	Human Resources	0	32 676	-	-	32 676
97 445	Information Technology	293 570	720 225	280 553	-	1 000 779
-	Integrated Development planning	7 800	196 414	6 074	-	202 488
12 000	Licensing & Regulation	0	68 157	-	-	68 157
-	Local Economical Development	0	3 863 672	-	-	3 863 672
123 606	Parks	231 177	3 129 920	226 259	-	3 356 179
-	Public toilets	4 690	1 150 502	4 689	-	1 155 192
37 208	Property services: Administration	110 261	682 664	94 994	-	777 658
-	Property services: Maintenance	73 412	628 204	73 411	-	701 616
-	Municipal Manager	0	26 222	-	-	26 222
-	Mechanical workshop	34 640	991 208	34 619	-	1 025 827
194 585	Sport grounds	646 365	4 119 197	583 877	-	4 703 073
12 747	Social & Welfare services	4 090	30 647	4 090	-	34 737
14 243	Swimming pools	0	1 255 552	-	-	1 255 552
225 386	Storm water management	100 052	10 650 467	100 053	-	10 750 520
755 260	Roads	2 767 210	11 019 472	2 746 859	-	13 766 331
-	Town Secretary	0	9 479	-	-	9 479
-	Town Planning	0	3 450	-	-	3 450
116 240	Police & Traffic	213 965	1 350 809	189 376	-	1 540 184
574 074	Treasury	354 400	1 614 983	334 758	-	1 949 740
-	Vehicle Licensing & Testing	0	101 107	-	-	101 107
70 675	**Subsidised services**	295 549	3 539 766	215 548	0	3 755 314
70 188	Cemeteries	41 023	339 354	41 022	-	380 376
-	Fire protection	231 792	369 483	151 792	-	521 275
487	Library services	22 734	2 830 929	22 734	-	2 853 663
4 794 503	**Economic services**	2 180 596	43 873 876	2 148 094	0	46 021 970
-	Holiday Resort Klipriver Park	0	271 250	-	-	271 250
186 787	Holiday Resort Pine Forest	260 000	8 106 754	214 993	-	8 321 747
8 500	Solid Waste	701 789	2 712 546	701 789	-	3 414 335
4 599 216	Sewerage	1 218 807	32 783 327	1 231 312	-	34 014 639
13 438 662	**HOUSING SERVICES**	23 904 605	51 003 612	24 319 558	-	75 323 170
3 174 631	**TRADING SERVICES**	2 045 384	123 837 579	2 562 000	500	126 399 080
1 785 554	Electricity	1 095 300	50 347 212	1 096 290	-	51 443 502
1 389 077	Water	950 084	73 490 367	1 465 710	500	74 955 578
24 241 776	**TOTAL FIXED ASSETS**	33 843 703	270 282 505	34 491 041	9 018	304 764 528
	LESS: LOANS REDEEMED AND OTHER CAPITAL RECEIPTS		192 551 705	40 817 651	0	233 369 356
	Loans redeemed and advances repaid		69 537 423	10 120 652		79 658 075
	Contributions from operating income		23 115 627	-		23 115 627
	Contributions from other resources		99 898 655	30 696 999		130 595 654
	NET FIXED ASSETS		77 730 800	-6 326 610	9 018	71 395 172

APPENDIX D
ANALYSIS OF OPERATING INCOME AND EXPENDITURE FOR THE YEAR ENDED 30 JUNE 2008

Actual 2007	INCOME	Actual 2008	Budget 2008
R		R	R
15 682 933	Grants and subsidies:	19 825 990	20 372 656
15 169 348	- National government	18 421 715	19 464 686
312 565	- Provincial government	1 277 822	836 440
201 020	- District Municipality	126 453	71 530
130 068 045	Operating income:	144 087 485	141 156 674
18 190 484	- Assessment rates	19 622 584	19 155 626
53 470 089	- Sale of electricity	57 738 889	58 011 149
21 232 583	- Sale of water	23 431 943	22 249 799
11 879 698	- Sewerage	12 114 102	12 177 862
12 987 271	- Refuse	14 572 473	14 483 347
12 307 920	- Other service charges	16 607 494	15 078 891
145 750 978	**Total income**	**163 913 475**	**161 529 330**

Actual 2007	EXPENDITURE	Actual 2008	Budget 2008
R		R	R
53 472 063	Salaries, wages and allowances	56 256 132	56 800 179
75 021 657	General expenses:	83 431 159	83 550 847
30 087 702	- Purchase of electricty	32 598 007	32 639 548
-	- Purchase of water	-	-
6 748 582	- Subsidies & Grants expenses	6 730 239	7 675 040
38 185 373	- Other general expenses	44 102 913	43 236 259
6 920 970	Repairs and maintenance	8 167 703	8 170 380
18 522 809	Capital charges	20 525 365	20 520 122
-	Contributions to fixed assets	-	-
8 983 434	Contributions	14 084 100	10 609 838
162 920 933	**Gross expenditure**	182 464 459	179 651 366
17 452 310	Less: Amounts charged out	18 442 214	18 136 718
145 468 623	**Net expenditure**	**164 022 245**	**161 514 648**

APPENDIX E
DETAILED INCOME STATEMENT FOR THE YEAR ENDED 30 JUNE 2008

2007 Actual income	2007 Actual expenditure	2007 Surplus / (Deficit)		2008 Actual income	2008 Actual expenditure	2008 Surplus / (Deficit)	2008 Budget Surplus / (Deficit)
R	R	R		R	R	R	R
69 745 205	75 891 529	-6 146 324	**RATE AND GENERAL SERVICES**	81 179 069	99 112 116	-17 933 047	18 219 758
39 195 183	40 513 163	-1 317 980	**Community services**	47 854 558	66 755 138	-18 900 580	20 120 395
18 190 484	-	18 190 484	Assessment rates	19 622 584	-	19 622 584	-19 155 626
2 435	752 633	-750 198	Administration	-	2 385 294	-2 385 294	2 218 472
389 603	1 243 171	-853 568	Building Control & Regulation	496 648	1 289 163	-792 515	835 622
913 100	2 450 558	-1 537 458	Council's general expenses	750 000	5 625 403	-4 875 403	5 240 685
169 138	1 461 952	-1 292 814	Community halls & facilities	198 636	1 594 075	-1 395 439	1 427 083
-	164 867	-164 867	Control centre	-	508 624	-508 624	516 473
-	17 826	-17 826	Disaster management	-	16 781	-16 781	18 302
-	1 203 880	-1 203 880	Electricity: Streetlights	-	1 394 635	-1 394 635	1 379 500
-	293 180	-293 180	Environmental Protection	-	336 742	-336 742	374 914
-	998 797	-998 797	Executive Costs	-	1 875 647	-1 875 647	1 839 847
300 237	300 237	-	Health: Comprehensive	21 714	20 679	1 035	-1 086
225 787	1 286 773	-1 060 986	Human Resources	-	3 473 670	-3 473 670	3 579 483
-	155 074	-155 074	Information technology	-	761 935	-761 935	749 190
241 020	619 871	-378 851	Integrated development planning	-	1 114 034	-1 114 034	1 089 903
53 824	8 685	45 139	Licensing & regulations	59 299	9 897	49 402	-47 509
-	133 474	-133 474	Local economical development	-	457 412	-457 412	520 054
5 146	2 445 349	-2 440 203	Parks	10 176	2 538 982	-2 528 806	2 530 720
-	549 530	-549 530	Public toilets	-	702 212	-702 212	690 822
916 096	1 234 929	-318 833	Property services: Administration	2 192 189	3 404 767	-1 212 578	1 140 331
-	156 716	-156 716	Property services: Maintenance	-	402 300	-402 300	425 495
-	278 682	-278 682	Municipal Manager	-	1 060 974	-1 060 974	984 916
-	378 794	-378 794	Municipal Workshop	201 809	681 245	-479 436	490 515
-	241 715	-241 715	Audit	-	981 457	-981 457	911 307
60 423	2 085 708	-2 025 285	Sport grounds	68 567	2 198 707	-2 130 140	2 179 148
12 496 134	7 074 662	5 421 472	Social & welfare services	16 119 444	5 542 005	10 577 439	-10 587 228
55 414	962 240	-906 826	Swimming Baths	40 347	953 069	-912 722	932 033
960	1 646 925	-1 645 965	Storm water management	627	1 826 237	-1 825 610	1 905 883
200 422	4 301 665	-4 101 243	Streets	763 628	5 602 416	-4 838 788	5 379 103
-	366 842	-366 842	Tourism	-	385 185	-385 185	387 589
247 705	484 151	-236 446	Town Planning	374 119	679 540	-305 421	296 075
-	260 617	-260 617	Town Secretary	-	845 061	-845 061	878 179
1 020 352	1 916 109	-895 757	Traffic	873 959	2 226 032	-1 352 073	1 448 492
1 335 621	4 081 509	-2 745 888	Treasury	3 603 719	14 703 061	-11 099 342	10 602 374
2 371 282	956 042	1 415 240	Vehicle licensing & testing	2 457 093	1 157 897	1 299 196	-1 060 666
177 342	4 338 465	-4 161 123	**Subsidized services**	488 519	4 970 636	-4 482 117	4 588 952
124 753	1 091 064	-966 311	Cemeteries	151 523	1 200 429	-1 048 906	1 077 347
15 873	789 881	-774 008	Fire protection	6 933	839 622	-832 689	856 324
36 716	2 457 520	-2 420 804	Library	330 063	2 930 585	-2 600 522	2 655 281
30 372 680	31 039 901	-667 221	**Economic services**	32 835 992	27 386 342	5 449 650	-6 489 589
702 554	1 089 972	-387 418	Holiday Resort Klipriver Park	810 710	1 140 509	-329 799	356 050
4 803 157	5 082 922	-279 765	Holiday Resort Pine Forest	5 312 912	4 664 856	648 056	-348 114
12 987 271	6 933 383	6 053 888	Refuse removal	14 572 473	5 102 647	9 469 826	-9 784 791
-	4 792 893	-4 792 893	Refuse removal - Garden	-	5 158 741	-5 158 741	4 820 324
-	1 111 564	-1 111 564	Refuse removal - Dumping site	-	1 272 951	-1 272 951	1 349 441
11 879 698	12 029 167	-149 469	Sewerage	12 139 897	10 046 638	2 093 259	-2 882 499
1 303 101	1 303 101	-	**HOUSING SERVICES**	1 503 592	1 463 732	39 860	-55 271
74 702 672	68 273 993	6 428 679	**TRADING SERVICES**	81 230 814	63 446 397	17 784 417	-18 179 169
53 470 089	44 987 904	8 482 185	Electricity: Distribution	57 792 944	42 344 206	15 448 738	-15 935 358
-	89 193	-89 193	Electricity: Generating	-	99 693	-99 693	106 923
21 232 583	23 196 896	-1 964 313	Water	23 437 870	21 002 498	2 435 372	-2 350 734
145 750 978	145 468 623	282 355	**TOTAL**	163 913 475	164 022 245	-108 770	-14 682
		-1 304 849	Appropriations for the year (refer to note 18)			-971 013	
		-1 022 494	Net surplus / (deficit) for the year			-1 079 783	
		10 614 459	Accumulated surplus / (deficit): Beginning of the year			9 591 965	
		9 591 965	**ACCUMULATED SURPLUS / (DEFICIT) END OF THE YEAR**			8 512 182	

APPENDIX F
STATISTICAL INFORMATION

		2008	2007	2006
(a)	**General Statistics**			
(i)	Population	88 784	88 254	83 567
(ii)	Valuation of taxable property	1 442 435 450	1 418 301 630	990 996 965
	Valuation of non rate able property	260 598 500	259 236 570	260 093 800
	The date of last valuation	1-Jul-02	1-Jul-02	1-Jul-02
(iii)	Valuation of residential and commercial property	574 236 715	563 718 685	148 438 840
(iv)	Assessment rates: Cent in the Rand			
	All agricultural areas	0.60c/R	0.57c/R	0.54c/R
	Ceres - Residential	2.07c/R	1.95c/R	1.82c/R
	Ceres - Other	2.07c/R	1.95c/R	1.82c/R
	Prince Alfred's Hamlet	0.71c/R	1.08c/R	1.00c/R
	Op-die- Berg	1.16c/R	0.66c/R	0.95c/R
	Wolseley	1.84c/R	1.57c/R	1.49c/R
	Tulbagh	1.69c/R	1.71c/R	1.68c/R
(v)	Number of employees of the local authority	492	497	493
(b)	**Electricity Statistics**			
(i)	Units bought/generated	173 262 007	167 657 389	153 605 463
(ii)	Units sold	157 637 325	150 834 265	133 664 249
(iii)	Units lost in distribution (i - ii)	15 624 681	16 823 124	19 941 214
(iv)	Units lost in distribution, as a % of (i)	9.02%	10.03%	12.98%
(v)	Cost per unit bought/generated	R 0.2450	R 0.2870	R 0.2600
(vi)	Loss in distribution (iii x v)	R 3 828 046.92	R 4 828 236.59	R 5 184 715.64
(vii)	Cost per unit sold (operating expenditure ÷ ii)	R 0.2693	R 0.3190	R 0.3000
(viii)	Income per unit sold (operating income ÷ ii)	R 0.3666	R 0.3832	R 0.3500
(c)	**Water Statistics**			
(i)	Units distributed	5 984 066	Not Available	4 671 402
(ii)	Units sold	4 429 186	3 798 245	3 525 507
(iii)	Units lost in distribution (i - ii)	1 554 880	Not Available	1 145 895
(iv)	Units lost in distribution, as a % of (i)	25.98%	Not Available	24.53%
(v)	Cost per unit bought/generated	R 2.35	Not Available	R 2.27
(vi)	Loss in distribution (iii x v)	R 3 647 165.21	Not Available	R 2 601 181.65
(vii)	Cost per unit sold (operating expenditure ÷ ii)	R 4.74	R 6.93	R 6.02
(viii)	Income per unit sold (operating income ÷ ii)	R 5.29	R 6.17	R 0.00

(A water infrastructure project has commenced in 2006/2007, called unaccounted water. This project includes the replacement of all default bulk water meters of Wolseley, Tulbagh and Ceres. Distributed units were calculated based on daily consumptions figures available. the majority of the meters was only replaced after the summer season therefore the calculations could be to conservative)

(d)	**Sundry Statistics**			
(i)	Area in sq. kilometers	2866.6	2866.6	2866.6

APPENDIX G

INTERGOVERNMENTAL AND OTHER ALLOCATIONS

IN TERMS SECTION 123 OF THE MFMA, 56 OF 2003

Organ of State or Municipality	Grant	Balance 01/07/2007	Interest earned 2007/2008	Receipts 2007/2008	Expenses 2007/2008	Transfers 2007/2008	Balance 30/06/2008	Grants and Subsidies delayed / withheld Yes / No	Compliance with grant conditions in terms of grant framework Yes / No
		R	R	R	R	R	R		
National Government									
Dept of Provincial and Local Government	Equitable share	-	-	17 642 644	17 487 561	-	155 083	No	Yes
Dept of Provincial and Local Government	Transformation funds	1 334 052	113 700	-	94 994	-	1 352 758	No	Yes
Dept of Provincial and Local Government	Restructuring Grant	56 724	5 205	-	-	-	61 929	No	Yes
Dept of Provincial and Local Government	Municipal Systems Improvement Grant	878 893	53 612	734 000	1 050 210	21 553	637 848	No	Yes
Dept of Provincial and Local Government	CMIP & MIG	1 724 928	111 605	3 551 784	4 049 803	76 026	1 414 540	No	Yes
Dept of Provincial and Local Government	INEP	350 530	23 322	-	96 374	-	277 478	No	Yes
Dept of Public works	Land reforms	378 440	34 643	-	915	-	412 168	No	Yes
Dept of Water Affairs and Forestry	DWAF Projects	5 945 436	621 262	785 000	19 480	59 294	7 391 512	No	Yes
National Treasury	Local Government Finance Management Grant	-34 591	234 574	515 241	715 224	-	-	No	Yes
Provincial Government									
Dept Cultural Affairs and Sport	Development of Sport and Recreational Facilities	12 589	1 155	-	-	-	13 744	No	Yes
Dept Cultural Affairs and Sport	Library Subsidies (Capital)	7 562	694	-	-	-	8 256	No	Yes
Dept Cultural Affairs and Sport	Library Subsidies	-	-	303 301	303 301	-	-	No	Yes
Dept of Provincial and Local Government	CDW's	-	-	226 800	226 800	-	-	No	Yes
Dept of Local Government and Housing	IHHSDG & UISP	2 578 866	-	21 971 042	24 316 248	2 336 101	2 569 761	No	Yes
Dept of Local Government and Housing	Imbiso	-	-	-	-	-	-	No	Yes
Dept of Transport and Public Works	Public Transport facilities	762 600	42 335	600 000	901 247	-	503 688	No	Yes
Dept of Transport and Public Works	Main road subsidy	-	-	555 192	555 192	-	-	No	Yes
Dept Social Services and Poverty Alleviation	Local Economical Development	-59 071	10 364	151 164	10 085	30 932	123 304	No	Yes
Dept Social Services and Poverty Alleviation	Multi Purpose Centers	4 842 204	444 338	-	-	-	5 286 542	No	Yes
Dept. Environmental Affairs and Development Planning	Western Cape Clean-up operation	9 352	-	480	9 832	-	-	No	Yes
Dept. Environmental Affairs and Development Planning	Spatial planning	320 850	48 029	160 000	183 177	42 551	388 253	No	Yes
District Municipality									
Cape Winelands District Municipality	PIMM Support	7 558	694	-	-	-	8 252	No	Yes
Cape Winelands District Municipality	CWDM projects	910 210	60 806	45 000	162 293	-107 535	746 188	No	Yes
	Total	**20 027 132**	**1 806 338**	**47 241 648**	**50 182 736**	**2 458 922**	**21 351 304**		

Note: The expenditure on the Equitable Share allocations are included to the same amount as the amount received